

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
First Regular Session  
2007

# HOUSE BILL 2489

AN ACT

AMENDING SECTIONS 48-263, 48-901, 48-906, 48-910, 48-957, 48-964, 48-1011, 48-1014, 48-1061 AND 48-2101, ARIZONA REVISED STATUTES; REPEALING SECTIONS 48-2102, 48-2103, 48-2104 AND 48-2105, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 15, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING NEW SECTIONS 48-2102 AND 48-2103; AMENDING SECTIONS 48-2108, 48-6202, 48-6203 AND 48-6272, ARIZONA REVISED STATUTES; AMENDING LAWS 2005, CHAPTER 248, SECTION 2; RELATING TO SPECIAL TAXING DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 48-263, Arizona Revised Statutes, is amended to  
3 read:

4 48-263. Special taxing district impact statement: district  
5 creation: district boundary change: bond requirement

6 A. Notwithstanding any other special taxing district organization or  
7 boundary change requirements, a special taxing district impact statement is  
8 required for each antinoxious weed district, pest control district,  
9 recreation center district, special road district, ~~pest abatement district~~  
10 and irrigation water delivery district, as follows:

11 1. In the case of a special taxing district formation proposal and  
12 before the circulation of organization petitions otherwise required, the  
13 special taxing district impact statement and hearing requirements pursuant to  
14 section 48-261, subsection A, paragraphs 1 through 5 and subsections C, D and  
15 E shall first be complied with.

16 2. In the case of a proposed special taxing district boundary change  
17 to an existing district and before the circulation of any boundary change  
18 petitions otherwise required, the boundary change impact statement and  
19 hearing requirements pursuant to section 48-262, subsection A, paragraphs 1  
20 through 5 and subsections E and G shall first be complied with.

21 B. The board of supervisors may require the person desiring to propose  
22 creation of a special taxing district in subsection A of this section to post  
23 a reasonable bond to be filed with the board, in accordance with section  
24 48-261, subsection C.

25 Sec. 2. Section 48-901, Arizona Revised Statutes, is amended to read:

26 48-901. Definitions

27 ~~As used~~ In this article, unless the context otherwise requires:

28 1. "Assessment" or "assessment roll" means a special assessment made  
29 under ~~the provisions of~~ this article.

30 2. "Block" means a parcel of ground, regular or irregular, bounded by  
31 streets or by streets and district boundary lines.

32 3. "Chairman of the board" means the person designated to preside over  
33 meetings of the board of directors.

34 4. "Clerk" or "district clerk" means the clerk of the board of  
35 supervisors, who shall be the clerk under this article and in whose office  
36 shall be filed all papers directed or required to be filed with the clerk.

37 5. "Commercial farming" means the intensive cultivation of arable land  
38 by the raising of agricultural or horticultural products as a principal  
39 source of the owner's livelihood.

40 6. "Commercial stock raising" means the breeding, raising and care of  
41 domestic animals as a principal source of the owner's livelihood.

42 7. "Contractor" includes personal representatives or assignee of the  
43 contractor.

44 8. "Delinquency" means delinquency in the payment of an assessment.

1           9. "Engineer" or "district engineer" means a person designated or  
2 employed by the board of directors of a district to perform any or all of the  
3 engineering work authorized to be done by the district under this article.

4           10. "Improvement bond" means a bond issued under ~~the provisions of~~ this  
5 article.

6           11. "Lighting plants" includes electric light plants, electric power  
7 plants, gas plants, distribution systems, poles, parts, pipes, conduits,  
8 wires, tanks, reservoirs, generators for gas or electricity, transmission  
9 lines, towers, lamps, transformers of every character, machinery, apparatus,  
10 equipment and all appliances and structures necessary or incidental to the  
11 construction, installation or operation of a complete electric light, power  
12 and gas plant and distribution system placed on the streets improved, though  
13 extended beyond.

14           12. "Lot" includes any portion, piece, parcel or subdivision of land,  
15 but not property owned or controlled by any person as a railroad right of  
16 way.

17           13. "Owner" means the person in whom legal title appears by recorded  
18 deed, or the person in possession under claim or title, or the person  
19 exercising acts of ownership for himself or as the personal representative of  
20 the owner, including the boards of trustees of school districts and the  
21 boards of education of high school districts owning property within the  
22 proposed improvement district.

23           14. "Sewers" include wastewater treatment facilities, tunnels,  
24 excavations, ditches, drains, conduits, channels, outlets, outfalls,  
25 cesspools, manholes, catch basins, flush tanks, septic tanks, connecting  
26 sewers of every character, machinery, apparatus, equipment and all appliances  
27 and structures necessary or incidental to the construction, installation or  
28 operation of a complete sewer system for either sanitary or drainage  
29 purposes.

30           15. "Street" includes avenues, alleys, highways, lanes, crossings,  
31 intersections, courts, places and grounds opened or dedicated to public use  
32 and public ways.

33           16. "Street superintendent" or "superintendent" means a county employee  
34 designated by the board of supervisors to perform the duties of street  
35 superintendent for all the districts organized under this article in any  
36 county.

37           17. "Time of delinquency" means the time when assessments become  
38 delinquent.

39           18. "Treasurer" or "district treasurer" means the treasurer of the  
40 county in which a district is situated, who shall be the treasurer of the  
41 district.

42           19. "Unincorporated area" means any portion of a county not within the  
43 limits of an incorporated city or town, so situated that any of the  
44 improvements provided for in this article might reasonably or properly be  
45 made or constructed for the benefit of the inhabitants of the area under

1 existing special assessment statutes if the area were situated within an  
2 incorporated city or town.

3 20. "WASTEWATER SYSTEMS" MEANS SEWERS AND OTHER WASTEWATER TREATMENT  
4 FACILITIES.

5 ~~20-~~ 21. "Waterworks" means works for the storage or development of  
6 water for domestic uses, and includes wells, pumping machinery, power plants,  
7 pipelines and all equipment necessary for the purpose.

8 ~~21-~~ 22. "Work" or "improvement" includes any of the improvements  
9 mentioned and authorized to be made in this article, the construction,  
10 reconstruction and repair of all or any portion of any such improvement, and  
11 labor, services, expenses and material necessary or incidental thereto.

12 Sec. 3. Section 48-906, Arizona Revised Statutes, is amended to read:

13 48-906. Establishment of district; dismissal of proceedings;  
14 costs; addition or elimination of certain areas

15 A. Upon the hearing, if it appears after consideration of all  
16 objections that the petition is signed by the requisite number of owners of  
17 real property, and that the public convenience, necessity or welfare will be  
18 promoted by the establishment of the district, the board of supervisors by  
19 formal order, ~~shall~~ declare its findings, establish the boundaries, ~~and~~  
20 declare the improvement district organized under a corporate name by which it  
21 shall be known in all proceedings. Thereafter the district shall be a body  
22 corporate with the powers of a municipal corporation for the purposes of  
23 carrying out ~~the provisions of~~ this article.

24 B. If the board finds that the territory set out in the petition  
25 should not be incorporated into an improvement district, it shall dismiss the  
26 proceedings and tax the costs against the signers of the petition, and may  
27 collect the costs on the bond of the petitioners. If the district is  
28 established, certified bills covering the costs of the board of supervisors  
29 and the disbursements of the petitioners shall be presented to the board of  
30 directors of the district and paid from the funds of the district.

31 C. If it appears to the board of supervisors at the hearing that  
32 territory not included in the petition should be included within the  
33 improvement district, the real property owners in the additional territory  
34 shall be notified in like manner as provided in connection with the original  
35 hearing, and a subsequent hearing shall be held on the question of including  
36 the additional territory. In establishing the improvement district, the  
37 board shall eliminate any territory described in the petition which it finds  
38 will not be benefited by the establishment of the district.

39 D. Additions to and alterations of an improvement district shall be  
40 made ~~in the manner provided for the establishment of the district.~~ AS  
41 FOLLOWS:

42 1. A PETITION ADDRESSED TO THE DISTRICT GOVERNING BOARD REQUESTING THE  
43 ADDITION OR ALTERATION MAY BE FILED WITH THE CLERK OF THE GOVERNING BODY, IF  
44 SIGNED BY A MAJORITY OF THE PERSONS OWNING PROPERTY AND BY THE OWNERS OF

1 FIFTY-ONE PER CENT OR MORE OF THE ASSESSED VALUATION OF THE PROPERTY WITHIN  
2 THE LIMITS OF THE PROPOSED ADDITION OR ALTERATION.

3 2. A PETITION WITH THE REQUIRED NUMBER OF SIGNATURES SHALL NOT BE  
4 DECLARED VOID ON ACCOUNT OF ANY ALLEGED DEFECT, BUT THE GOVERNING BODY SHALL  
5 ALLOW THE PETITION TO BE AMENDED IN FORM AND SUBSTANCE TO CONFORM TO THE  
6 REQUIREMENTS OF THIS ARTICLE. ONE OR MORE SIMILAR PETITIONS, OR COPIES OF  
7 THE SAME PETITION WITH ADDITIONAL SIGNATURES, FOR THE ADDITION TO OR  
8 ALTERATION OF THE IMPROVEMENT DISTRICT MAY BE FILED BEFORE THE TIME OF THE  
9 HEARING ON THE FIRST PETITION, AND SHALL BE CONSIDERED AS THOUGH FILED WITH  
10 THE FIRST PETITION. THE PETITION SHALL BE PRESUMED TO CONTAIN THE SIGNATURES  
11 OF THE PERSONS WHOSE SIGNATURES APPEAR ON THE PETITION, UNLESS THE CONTRARY  
12 IS PROVED.

13 3. THE PETITION SHALL SET FORTH:

14 (a) THE NAME OF THE IMPROVEMENT DISTRICT TO WHICH THE ADDITION OR  
15 ALTERATION IS PROPOSED.

16 (b) THE NECESSITY FOR THE PROPOSED ADDITION OR ALTERATION.

17 (c) THAT THE PUBLIC CONVENIENCE, NECESSITY OR WELFARE WILL BE PROMOTED  
18 BY THE ADDITION OR ALTERATION OF THE DISTRICT AND THAT THE PROPERTY TO BE  
19 INCLUDED IN THE DISTRICT WILL BE BENEFITED.

20 (d) THE BOUNDARIES OF THE PROPOSED ADDITION OR ALTERATION.

21 4. EACH COPY OF THE PETITION SHALL BE VERIFIED BY ONE OF THE  
22 PETITIONERS AND SHALL BE ACCOMPANIED BY A PLAT OR SKETCH INDICATING THE  
23 APPROXIMATE AREA AND BOUNDARIES OF THE DISTRICT.

24 5. ON RECEIPT OF A PETITION FOR AN ADDITION OR ALTERATION OF A  
25 DISTRICT, THE GOVERNING BODY SHALL SET A DATE FOR A HEARING ON THE PETITION  
26 NOT LATER THAN FORTY DAYS AFTER PRESENTATION OF THE PETITION. AT THE HEARING  
27 ALL INTERESTED PROPERTY OWNERS MAY APPEAR AND BE HEARD ON ANY MATTER RELATING  
28 TO THE ADDITION TO OR ALTERATION OF THE DISTRICT. ANY PERSON WISHING TO  
29 OBJECT TO THE ADDITION OR ALTERATION MAY FILE, BEFORE THE DATE SET FOR THE  
30 HEARING, THE PERSON'S OBJECTIONS WITH THE CLERK OF THE GOVERNING BODY.

31 6. NOTICE ANNOUNCING THE HEARING AND STATING THE BOUNDARIES OF THE  
32 PROPOSED ADDITION OR ALTERATION SHALL BE PUBLISHED TWICE IN A NEWSPAPER OF  
33 GENERAL CIRCULATION IN THE COUNTY WITHIN WHICH THE DISTRICT IS LOCATED. THE  
34 PUBLICATIONS SHALL BE ONE WEEK APART, AND THE FIRST PUBLICATION SHALL BE NOT  
35 LESS THAN TEN DAYS BEFORE THE DATE OF THE HEARING. THE NOTICE SHALL ALSO BE  
36 MAILED BY FIRST CLASS MAIL AT LEAST TWENTY DAYS BEFORE THE HEARING TO THE  
37 PROPERTY OWNERS WITHIN THE AREA OF THE PROPOSED ADDITION OR ALTERATION  
38 ACCORDING TO THE NAMES AND ADDRESSES THAT APPEAR ON THE MOST RECENT PROPERTY  
39 TAX ASSESSMENT ROLL.

40 7. NOTICE ANNOUNCING THE HEARING AND STATING BOUNDARIES OF THE  
41 PROPOSED ADDITION OR ALTERATION SHALL BE MAILED BY FIRST CLASS MAIL AT LEAST  
42 TWENTY DAYS BEFORE THE HEARING TO THE CORPORATION COMMISSION, IF THE PETITION  
43 REQUESTS AN ADDITION OR ALTERATION OF A DISTRICT FOR THE PURPOSES DESCRIBED  
44 IN SECTION 48-909, SUBSECTION A, PARAGRAPH 5 OR 6 AND THE BOUNDARIES OF THE

1 PROPOSED ADDITION OR ALTERATION TO A DISTRICT ARE WHOLLY OR PARTIALLY WITHIN  
2 EITHER OF THE FOLLOWING:

3 (a) THE BOUNDARIES OF THE EXISTING SERVICE TERRITORY OF A PUBLIC  
4 SERVICE CORPORATION THAT PROVIDES DOMESTIC WATER OR WASTEWATER SERVICES AS  
5 DEFINED BY A CERTIFICATE OF CONVENIENCE AND NECESSITY ISSUED BY THE  
6 CORPORATION COMMISSION.

7 (b) THE BOUNDARIES OF THE PROPOSED SERVICE TERRITORY OF A PUBLIC  
8 SERVICE CORPORATION THAT PROVIDES DOMESTIC WATER OR WASTEWATER SERVICES AS  
9 DEFINED IN AN APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY  
10 THAT IS PENDING BEFORE THE CORPORATION COMMISSION OR THAT HAS BEEN CONSIDERED  
11 BY THE COMMISSION WITHIN ONE YEAR BEFORE THE DATE THE PETITION FOR AN  
12 ADDITION OR ALTERATION OF A DISTRICT IS FILED WITH THE CLERK OF THE GOVERNING  
13 BOARD.

14 8. AT THE HEARING, IF IT APPEARS AFTER CONSIDERATION OF ALL OBJECTIONS  
15 THAT THE PETITION IS SIGNED BY THE REQUISITE NUMBER OF PROPERTY OWNERS, AND  
16 THAT THE PUBLIC CONVENIENCE, NECESSITY OR WELFARE WILL BE PROMOTED BY THE  
17 ADDITION TO OR ALTERATION OF THE DISTRICT, THE GOVERNING BODY BY FORMAL ORDER  
18 SHALL DECLARE ITS FINDINGS AND ORDER THE ADDITION TO OR ALTERATION OF THE  
19 DISTRICT.

20 9. IF THE GOVERNING BOARD FINDS THAT THE PUBLIC CONVENIENCE, NECESSITY  
21 OR WELFARE WILL NOT BE PROMOTED BY THE ADDITION TO OR ALTERATION OF THE  
22 DISTRICT, THE GOVERNING BODY BY FORMAL ORDER SHALL DECLARE ITS FINDINGS.

23 E. NOTWITHSTANDING SUBSECTION D OF THIS SECTION, ANY PROPERTY OWNER  
24 WHOSE LAND IS WITHIN A COUNTY THAT CONTAINS AN IMPROVEMENT DISTRICT AND WHOSE  
25 LAND IS ADJACENT TO THE BOUNDARIES OF THE IMPROVEMENT DISTRICT MAY REQUEST IN  
26 WRITING THAT THE GOVERNING BODY OF THE DISTRICT AMEND THE DISTRICT BOUNDARIES  
27 TO INCLUDE THAT PROPERTY OWNER'S LAND. IF THE GOVERNING BODY DETERMINES THAT  
28 THE INCLUSION OF THAT PROPERTY WILL BENEFIT THE DISTRICT AND THE PROPERTY  
29 OWNER, THE BOUNDARY CHANGE MAY BE MADE BY ORDER OF THE GOVERNING BODY AND IS  
30 FINAL ON THE RECORDING OF THE GOVERNING BODY'S ORDER THAT INCLUDES A LEGAL  
31 DESCRIPTION OF THE PROPERTY THAT IS ADDED TO THE DISTRICT. A PETITION IS NOT  
32 REQUIRED FOR AN AMENDMENT TO AN IMPROVEMENT DISTRICT'S BOUNDARIES MADE  
33 PURSUANT TO THIS SUBSECTION.

34 F. ON APPROVAL OF ANY BOUNDARY CHANGE OF THE DISTRICT, THE DISTRICT  
35 BOARD MAY ORDER THE SUCCESSFUL PETITIONERS OR REQUESTER TO PAY ALL OF THE  
36 COSTS OF THE BOUNDARY CHANGE.

37 Sec. 4. Section 48-910, Arizona Revised Statutes, is amended to read:  
38 48-910. Domestic water and domestic wastewater services;  
39 authority to set fees; liens; foreclosure

40 A. The board of directors of a domestic water improvement district, ~~or~~  
41 a domestic wastewater improvement district OR A COUNTY IMPROVEMENT DISTRICT  
42 THAT PROVIDES OR IS ESTABLISHED FOR THE PURPOSE OF PROVIDING WATER OR  
43 WASTEWATER SERVICES shall have the authority to set fees for the district  
44 following a public hearing. Fees may include any of the following:

1           1. User fees that are proportionate shares of the cost of operation,  
2 maintenance and replacement of a water delivery system, a water disposal  
3 system or a wastewater treatment and disposal system or any combination of  
4 those systems, including a system for the treatment and use of effluent, and  
5 may include the cost of administrators, surveyors, sanitation experts,  
6 engineers, legal counsel and other persons as are reasonably necessary for  
7 the operation, maintenance and replacement of the systems. The fees may also  
8 include any contractual amounts required to meet covenants relating to bonds  
9 or other obligations of the district secured by a pledge of, or promise to  
10 pay from, the district's fees.

11           2. Hookup fees for connection to the district water or wastewater  
12 system, not including the cost of the actual physical connection.

13           3. Lateral fees for the cost of constructing a water or wastewater  
14 lateral from the property line of the user to the middle of the easement or  
15 right-of-way in which the water system or wastewater system is located.

16           4. For a domestic wastewater improvement district ~~only~~ OR A COUNTY  
17 IMPROVEMENT DISTRICT THAT PROVIDES OR IS ESTABLISHED FOR THE PURPOSE OF  
18 PROVIDING WASTEWATER SYSTEMS OR SERVICES, either of the following:

19           (a) A capacity fee based on the cost of developing the wastewater  
20 collection, treatment and disposal facilities that are required to treat the  
21 flows into the system from a particular wastewater connection.

22           (b) An availability fee that is charged on all property in the  
23 district that is not connected to the existing wastewater treatment system  
24 but that is adjacent to a wastewater line and that is based on the cost of  
25 having the wastewater line and treatment facility capacity to accommodate  
26 that property if it is developed. An availability fee is limited to fifty  
27 per cent of the user fee.

28           B. Notice announcing the hearing shall be posted in not less than  
29 three places within the district for not less than ten days ~~prior to~~ BEFORE  
30 the date of the hearing and shall be published twice in a newspaper of  
31 general circulation within the district. The newspaper publications shall be  
32 not less than one week apart, and the first publication shall be not less  
33 than ten days ~~prior to~~ BEFORE the date of the hearing. The district may also  
34 mail notice of the hearing to all district customers. The notice may be  
35 included in the district's regular billings and shall be mailed at least ten  
36 days before the date of the hearing.

37           C. The board of supervisors shall be notified by mail of the hearing  
38 not less than ten days ~~prior to~~ BEFORE the date of the hearing. The board of  
39 supervisors may be represented at the hearing and may advise the board of  
40 directors.

41           D. At the hearing all interested district property owners and  
42 customers may appear and be heard on any matter relating to the establishment  
43 of the proposed fees. Any person wishing to object to the establishment of  
44 the proposed fees ~~may~~, before the date set for the hearing, MAY file  
45 objections with the chairman or the clerk of the board of directors.

1 E. A domestic water improvement district, ~~or~~ domestic wastewater  
2 improvement district OR A COUNTY IMPROVEMENT DISTRICT THAT PROVIDES OR IS  
3 ESTABLISHED FOR THE PURPOSE OF PROVIDING WATER OR WASTEWATER SYSTEMS OR  
4 SERVICES may file a lien on property for the nonpayment of user fees for  
5 services provided to the property if the fees are delinquent for more than  
6 ninety days. At least thirty days before filing the lien, the district shall  
7 provide written notice to the owner of the property and shall include notice  
8 of an opportunity for a hearing before a designated officer of the  
9 district. The notice of lien shall be personally served on the property  
10 owner or mailed by certified mail to the property owner's last known address  
11 or to the address to which the most recent property tax assessment was  
12 mailed. If the property owner does not reside on the property, the notice  
13 shall be mailed by certified mail to the owner's last known address.

14 F. The unpaid user fees are a lien on the property from the date of  
15 recording in the office of the county recorder in the county in which the  
16 property is located until the fees and all costs are paid. The lien is  
17 subject and inferior to the lien for general taxes and to all prior recorded  
18 mortgages and encumbrances of record. A sale of the property to satisfy a  
19 lien assessed pursuant to this section shall be made on a judgment of  
20 foreclosure and order of sale. A domestic water or domestic wastewater  
21 improvement district OR A COUNTY IMPROVEMENT DISTRICT THAT PROVIDES OR IS  
22 ESTABLISHED FOR THE PURPOSE OF PROVIDING WATER OR WASTEWATER SYSTEMS OR  
23 SERVICES may bring an action to foreclose the lien in the superior court in  
24 the county in which the property is located any time after recording.  
25 Failure to foreclose the lien does not affect its validity. The recorded  
26 unpaid user fees are prima facie evidence of the truth of all matters recited  
27 in the recording and of the regularity of all proceedings before the  
28 recording.

29 G. Unpaid user fees pursuant to this section accrue interest at the  
30 rate prescribed by section 44-1201.

31 H. The district shall add all costs incurred by the district,  
32 including interest, attorney fees and costs in filing and enforcing the lien,  
33 to the unpaid user fees, and the costs are a liability of the property owner  
34 payable from the proceeds of the sale.

35 I. A prior assessment of unpaid user fees pursuant to this section  
36 does not bar a subsequent assessment pursuant to this section, and any number  
37 of liens on the same parcel of property may be enforced in the same action.

38 J. A district shall not file a lien for unpaid user fees against a  
39 residential property that is occupied by a lessee and at which the lessee is  
40 responsible for payment of the user fees. The district shall determine the  
41 status of leased residential property before filing the lien.

42 Sec. 5. Section 48-957, Arizona Revised Statutes, is amended to read:  
43 48-957. Charges for services of county employees

44 Supervision of construction work and clerical services performed by  
45 county employees in connection with special assessment proceedings shall be

1 charged to the proceedings as incidental expenses. Services of the street  
2 superintendent and other employees and costs of publication of notices and  
3 other costs of collection of special assessments shall be ~~borne by the~~  
4 ~~county, the additional county taxes collected by the county on the increased~~  
5 ~~value of the lands in the district created by the improvement being deemed~~  
6 ~~sufficient compensation to the county for such collection services~~ ESTIMATED  
7 BASED ON THE TERM OF THE BOND AND CHARGES TO THE PROCEEDINGS AS INCIDENTAL  
8 EXPENSES.

9 Sec. 6. Section 48-964, Arizona Revised Statutes, is amended to read:

10 48-964. District revenues; payment for certain improvements

11 A. Notwithstanding any other provision of this chapter, the board of  
12 directors of an improvement district ~~formed for the purpose of purchasing or~~  
13 ~~constructing a domestic water delivery system~~ may obligate, by resolution, by  
14 contract or by inclusion in any bonds issued by the district, the revenues  
15 generated by ~~the~~ ANY DOMESTIC WATER OR DOMESTIC WASTEWATER system OF THE  
16 DISTRICT for such period as is necessary to:

17 1. Pay all maintenance and operating costs of the district, including  
18 compensation as provided by section 48-1013 for an elected board of  
19 directors.

20 2. Provide such reserves as deemed necessary by the board of  
21 directors.

22 3. Pay all billing costs, office expenses and the cost of collection.

23 4. Purchase or improve the system or pay bonds or other contractual  
24 obligations issued or incurred for that purpose.

25 B. Notwithstanding any other provision of this chapter, at the option  
26 of the board of directors, revenues in excess of the requirements of  
27 subsection A may be:

28 1. Applied to assessments due.

29 2. Refunded to the property owner.

30 C. An obligation of revenues by the district that is made pursuant to  
31 this section is binding on all successors or assigns until the obligation is  
32 fully satisfied.

33 Sec. 7. Section 48-1011, Arizona Revised Statutes, is amended to read:

34 48-1011. Definitions

35 In this article, unless the context otherwise requires:

36 1. "Clerk" means the person appointed by the board of directors to act  
37 as the clerk for the district and to perform the duties otherwise prescribed  
38 for a clerk pursuant to this chapter. The board shall establish and make  
39 known an office and mailing address for the clerk.

40 2. "Domestic wastewater improvement district" means a county  
41 improvement district that is ~~either~~ formed for the purpose of CONSTRUCTING A  
42 DOMESTIC WASTEWATER TREATMENT FACILITY OR purchasing an existing domestic  
43 wastewater treatment facility within the district and, if necessary, MAKING  
44 improvements to the system or that is converted pursuant to section 48-1018.



1 (b) THE NECESSITY FOR THE PROPOSED ADDITION OR ALTERATION.  
2 (c) THAT THE PUBLIC CONVENIENCE, NECESSITY OR WELFARE WILL BE PROMOTED  
3 BY THE ADDITION OR ALTERATION OF THE DISTRICT AND THAT THE PROPERTY TO BE  
4 INCLUDED IN THE DISTRICT WILL BE BENEFITED.  
5 (d) THE BOUNDARIES OF THE PROPOSED ADDITION OR ALTERATION.  
6 4. EACH COPY OF THE PETITION SHALL BE VERIFIED BY ONE OF THE  
7 PETITIONERS AND SHALL BE ACCOMPANIED BY A PLAT OR SKETCH INDICATING THE  
8 APPROXIMATE AREA AND BOUNDARIES OF THE DISTRICT.  
9 5. ON RECEIPT OF A PETITION FOR AN ADDITION OR ALTERATION OF A  
10 DISTRICT, THE GOVERNING BODY SHALL SET A DATE FOR A HEARING ON THE PETITION  
11 NOT LATER THAN FORTY DAYS AFTER PRESENTATION OF THE PETITION. AT THE HEARING  
12 ALL INTERESTED PROPERTY OWNERS MAY APPEAR AND BE HEARD ON ANY MATTER RELATING  
13 TO THE ADDITION TO OR ALTERATION OF THE DISTRICT. ANY PERSON WISHING TO  
14 OBJECT TO THE ADDITION OR ALTERATION MAY FILE, BEFORE THE DATE SET FOR THE  
15 HEARING, THE PERSON'S OBJECTIONS WITH THE CLERK OF THE GOVERNING BODY.  
16 6. NOTICE ANNOUNCING THE HEARING AND STATING THE BOUNDARIES OF THE  
17 PROPOSED ADDITION OR ALTERATION SHALL BE PUBLISHED TWICE IN A NEWSPAPER OF  
18 GENERAL CIRCULATION IN THE COUNTY WITHIN WHICH THE DISTRICT IS LOCATED. THE  
19 PUBLICATIONS SHALL BE ONE WEEK APART, AND THE FIRST PUBLICATION SHALL BE NOT  
20 LESS THAN TEN DAYS BEFORE THE DATE OF THE HEARING. THE NOTICE SHALL ALSO BE  
21 MAILED BY FIRST CLASS MAIL AT LEAST TWENTY DAYS BEFORE THE HEARING TO THE  
22 PROPERTY OWNERS WITHIN THE AREA OF THE PROPOSED ADDITION OR ALTERATION  
23 ACCORDING TO THE NAMES AND ADDRESSES THAT APPEAR ON THE MOST RECENT PROPERTY  
24 TAX ASSESSMENT ROLL.  
25 7. AT THE HEARING, IF IT APPEARS AFTER CONSIDERATION OF ALL OBJECTIONS  
26 THAT THE PETITION IS SIGNED BY THE REQUISITE NUMBER OF PROPERTY OWNERS, AND  
27 THAT THE PUBLIC CONVENIENCE, NECESSITY OR WELFARE WILL BE PROMOTED BY THE  
28 ADDITION TO OR ALTERATION OF THE DISTRICT, THE GOVERNING BODY BY FORMAL ORDER  
29 SHALL DECLARE ITS FINDINGS AND ORDER THE ADDITION TO OR ALTERATION OF THE  
30 DISTRICT.  
31 8. IF THE GOVERNING BOARD FINDS THAT THE PUBLIC CONVENIENCE, NECESSITY  
32 OR WELFARE WILL NOT BE PROMOTED BY THE ADDITION TO OR ALTERATION OF THE  
33 DISTRICT, THE GOVERNING BODY BY FORMAL ORDER SHALL DECLARE ITS FINDINGS.  
34 C. NOTWITHSTANDING SUBSECTION B OF THIS SECTION, ANY PROPERTY OWNER  
35 WHOSE LAND IS WITHIN A COUNTY THAT CONTAINS AN IMPROVEMENT DISTRICT AND WHOSE  
36 LAND IS ADJACENT TO THE BOUNDARIES OF THE IMPROVEMENT DISTRICT MAY REQUEST IN  
37 WRITING THAT THE GOVERNING BODY OF THE DISTRICT AMEND THE DISTRICT BOUNDARIES  
38 TO INCLUDE THAT PROPERTY OWNER'S LAND. IF THE GOVERNING BODY DETERMINES THAT  
39 THE INCLUSION OF THAT PROPERTY WILL BENEFIT THE DISTRICT AND THE PROPERTY  
40 OWNER, THE BOUNDARY CHANGE MAY BE MADE BY ORDER OF THE GOVERNING BODY AND IS  
41 FINAL ON THE RECORDING OF THE GOVERNING BODY'S ORDER THAT INCLUDES A LEGAL  
42 DESCRIPTION OF THE PROPERTY THAT IS ADDED TO THE DISTRICT. A PETITION IS NOT  
43 REQUIRED FOR AN AMENDMENT TO AN IMPROVEMENT DISTRICT'S BOUNDARIES MADE  
44 PURSUANT TO THIS SUBSECTION.

1 ~~C. D. Notwithstanding section 48-906, subsection D,~~ On approval of  
2 any boundary change of the district, the district board may order the  
3 successful petitioners OR REQUESTERS to pay all of the costs of the boundary  
4 change.

5 Sec. 9. Section 48-1061, Arizona Revised Statutes, is amended to read:  
6 48-1061. Definitions

7 In this article, unless the context otherwise requires:

8 1. "Authorized purpose" includes any one or more of the following  
9 purposes:

10 (a) The payment of district obligations.

11 (b) The cost of acquiring, constructing, reconstructing, equipping,  
12 maintaining and repairing a waterworks OR WASTEWATER SYSTEM as defined in  
13 section 48-901.

14 (c) The acquisition of real property for waterworks OR WASTEWATER  
15 SYSTEM needs.

16 (d) The payment of bond related expenses.

17 2. "Bond related expenses" means any expenses incurred by the district  
18 to issue and administer its bonds, including underwriting fees and costs,  
19 trustee fees, financial consultant fees, printing and advertising costs,  
20 fiscal agent fees, paying agent fees, registrar fees, transfer agent fees,  
21 legal, accounting, feasibility consultant and other expert fees and expenses,  
22 cost of credit enhancement fees, attorney and accounting fees and expenses  
23 related to credit enhancement, bond insurance or liquidity enhancement,  
24 remarketing fees, rating agency fees and costs, travel and telephone expenses  
25 and all other fees deemed necessary by the board of directors in order to  
26 market and administer the bonds.

27 3. "Bonds" means bonds of the district issued pursuant to this  
28 article.

29 4. "District" means a county improvement district that operates or is  
30 formed for the purpose of operating a domestic water delivery system OR A  
31 WASTEWATER SYSTEM within the district, whether or not the district is  
32 governed in the manner described in article 4 of this chapter.

33 5. "REAL PROPERTY FOR WASTEWATER SYSTEM NEEDS" MEANS THOSE REAL  
34 PROPERTIES AND ANY APPURTENANCES TO REAL PROPERTIES THAT ARE DESIGNATED OR  
35 MAY BE DESIGNATED BY THE BOARD OF DIRECTORS AS A LOCATION FOR OR AS  
36 APPROPRIATE TO THE CONSTRUCTION OF A WASTEWATER SYSTEM PROJECT, INCLUDING  
37 LANDS, EASEMENTS, RIGHTS-OF-WAY AND OTHER INTERESTS IN LANDS, THE USE OR  
38 OCCUPANCY OF WHICH IS NECESSARY OR APPROPRIATE TO CONSTRUCT, RECONSTRUCT,  
39 REPAIR, MAINTAIN, EXTEND, DEVELOP, IMPROVE, USE OR OPERATE WASTEWATER  
40 FACILITIES AND IMPROVEMENTS.

41 ~~5-~~ 6. "Real property for waterworks needs" means those real  
42 properties, rights to surface WATER or ~~groundwaters~~ GROUNDWATER and any  
43 appurtenances to real properties ~~which~~ THAT are designated or may be  
44 designated by the board of directors as a location for or as appropriate to  
45 the construction of a waterworks system project, including lands, easements,

1 rights-of-way and other interests in lands, the use or occupancy of which ~~are~~  
2 IS necessary or appropriate to construct, reconstruct, repair, maintain,  
3 extend, develop, improve, use or operate waterworks facilities and  
4 improvements.

5 ~~6-~~ 7. "Revenues" includes any charge, income or receipt by the  
6 district of money or any other thing of value except that revenues shall not  
7 include monies paid to or for the account of the district for the levy of any  
8 tax or assessment or the sale of any property by the district to satisfy or  
9 pay any delinquent tax or assessment.

10 Sec. 10. Section 48-2101, Arizona Revised Statutes, is amended to  
11 read:

12 48-2101. Definitions

13 In this chapter, unless the context otherwise requires:

14 1. "AGRICULTURAL LAND" MEANS PROPERTY THAT HAS A CURRENT AGRICULTURAL  
15 USE DESIGNATION FROM THE COUNTY ASSESSOR.

16 ~~1-~~ 2. "Board" means a county board of supervisors.

17 ~~2-~~ 3. "Director" means one or all of the board of directors of a pest  
18 abatement district established pursuant to this chapter.

19 ~~3-~~ 4. "District" means a pest abatement district established pursuant  
20 to this chapter and includes the governing body of the district and all its  
21 authorized personnel.

22 ~~4-~~ 5. "Landowner" means a person who owns land within the boundaries  
23 of a proposed or existing district.

24 ~~5-~~ 6. "Pest" means any arthropods, rats and mice ~~which~~ THAT the  
25 district determines to be a public nuisance to persons or property. ~~"Pest"~~  
26 does not include arthropods which primarily attack agricultural crops.

27 Sec. 11. Repeal

28 Sections 48-2102, 48-2103, 48-2104 and 48-2105, Arizona Revised  
29 Statutes, are repealed.

30 Sec. 12. Title 48, chapter 15, article 1, Arizona Revised Statutes, is  
31 amended by adding new sections 48-2102 and 48-2103, to read:

32 48-2102. Petition to form district; contents of petition

33 A. ANY ONE OR MORE PERSONS INTENDING TO FORM A PEST ABATEMENT DISTRICT  
34 SHALL COMPLY WITH SECTION 48-261. IN ADDITION TO THE REQUIREMENTS FOR AN  
35 IMPACT STATEMENT PRESCRIBED IN SECTION 48-261, SUBSECTION A, AN IMPACT  
36 STATEMENT FOR THE FORMATION OF A PEST ABATEMENT DISTRICT SHALL ALSO INCLUDE A  
37 PLAN FOR PEST ABATEMENT, INCLUDING A LISTING OF ANY CHEMICALS TO BE USED AND  
38 AN ESTIMATED APPLICATION SCHEDULE AND A CERTIFICATION FROM THE COUNTY HEALTH  
39 OFFICER THAT STATES THAT THE PEST SOUGHT TO BE PREVENTED, CONTROLLED OR  
40 ERADICATED HAS INVADED OR THREATENS TO INVADE THE BOUNDARIES OF THE PROPOSED  
41 DISTRICT.

42 B. IN ADDITION TO THE REQUIREMENTS FOR A PETITION PRESCRIBED BY  
43 SECTIONS 48-265 AND 48-266, THE PETITION FOR A PEST ABATEMENT DISTRICT SHALL  
44 INCLUDE THE NAME OF THE PEST TO BE PREVENTED, CONTROLLED OR ERADICATED.

1           48-2103. Exclusion of agricultural land

2           A. AT THE HEARING REQUIRED UNDER SECTION 48-261 OR WITHIN THIRTY DAYS  
3 AFTER THE REQUIRED HEARING, IF ANY OWNER OF AGRICULTURAL LAND WITHIN THE  
4 PROPOSED DISTRICT PRESENTS EVIDENCE THAT THE PROPERTY IS SUBJECT TO AN  
5 INTERNAL AND ONGOING PEST CONTROL PROGRAM, THE LANDOWNER'S PROPERTY SHALL BE  
6 EXCLUDED FROM THE PROPOSED DISTRICT.

7           B. EVIDENCE SHALL INCLUDE AN AFFIDAVIT BY PROPERTY OWNERS REGARDING  
8 CONTINUATION OF THE INTERNAL PEST ABATEMENT PROGRAM WHILE THE SPECIAL  
9 DISTRICT EXISTS AND:

- 10           1. CONTRACTS WITH PEST CONTROL COMPANIES.  
11           2. RECEIPTS FOR PURCHASE OF PEST ABATEMENT EQUIPMENT AND CHEMICALS.  
12           3. OTHER EVIDENCE DEEMED APPROPRIATE BY THE BOARD OF SUPERVISORS.

13           Sec. 13. Section 48-2108, Arizona Revised Statutes, is amended to  
14 read:

15           48-2108. Powers and duties of directors; assessments

16           A. The directors shall hold an annual meeting and other meetings as  
17 they may determine are necessary ~~from time to time~~. They shall make an  
18 annual report pursuant to section 48-251 showing the receipts and  
19 disbursements of all monies and property belonging to the district. They  
20 shall prepare an annual budget of the proposed expenditures to be made during  
21 the succeeding year. Any monies that may accrue to the district AND that are  
22 in excess of the budgetary requirements for the succeeding year may be  
23 invested by the directors in public bonds or deposited in a federal reserve  
24 bank or other federally insured depository.

25           B. After the directors hold the first annual meeting, they shall mail  
26 a consent form to each landowner in the district. The consent form shall  
27 state that if the landowner signs the form and returns it to the directors  
28 the form constitutes prior written consent to district entry onto the  
29 landowner's property pursuant to section 48-2109. The district shall keep  
30 the signed forms on file.

31           C. The directors may contract with any person or organization to  
32 perform district functions on terms and conditions as they find advisable and  
33 shall supervise the performance of all contracts.

34           D. The directors may expend district monies to employ personnel and  
35 purchase equipment, supplies, services and all other things required to carry  
36 out the intent and purpose of the district. The directors shall not expend  
37 district monies for the purchase of real property without prior written  
38 consent of the board. The directors may sell or lease any lands,  
39 rights-of-way, easements, material or other property, real or personal,  
40 acquired by the district.

41           E. The directors may assign such district business as they may  
42 determine to a manager appointed by them and paid by the district. The  
43 manager has such powers as the directors may authorize.

1 F. The directors shall annually set the assessment for each parcel of  
2 land to be protected by the district and shall so notify the county assessor  
3 before March 1 of each year.

4 G. The directors may ask for amendments to the district either adding  
5 or removing pests from the list of those to be controlled or extending or  
6 contracting the boundaries of the district. ~~The amendments shall be made  
7 after an election conducted pursuant to sections 48-2104 and 48-2105.~~

8 H. The directors may contract and cooperate with agencies,  
9 instrumentalities and departments of the state, THE county and the United  
10 States interested in the control, extermination and eradication of the pest  
11 sought to be controlled or eradicated and may act to secure financial  
12 assistance from those agencies, instrumentalities and departments.

13 Sec. 14. Section 48-6202, Arizona Revised Statutes, is amended to  
14 read:

15 48-6202. Formation of district

16 A. The governing bodies of a city with a population of more than one  
17 million persons, ~~and~~ a county with a population of more than one hundred  
18 twenty-five thousand but less than one hundred fifty thousand persons **AND A  
19 CITY WITH A POPULATION OF MORE THAN THREE THOUSAND PERSONS BUT LESS THAN FIVE  
20 THOUSAND PERSONS THAT IS LOCATED ENTIRELY IN THAT COUNTY** may jointly  
21 establish a theme park and vehicle support facility district as provided by  
22 this chapter. For the purposes of this subsection, the population shall be  
23 determined according to the most recent population estimate data produced by  
24 the department of economic security at the time the district is established.  
25 The district shall include theme park sites in both ~~the city~~ **CITIES** and **IN**  
26 the county establishing the district and a vehicle support facility site in  
27 at least the county establishing the district. The ~~city~~ **CITIES** and the  
28 county shall jointly establish the geographical boundaries of the district,  
29 which shall include only the sites of the theme parks and vehicle support  
30 facility.

31 B. The district is a corporate and political body and, except as  
32 otherwise limited, modified or provided by this chapter, has all of the  
33 rights, powers and immunities of municipal corporations.

34 C. The district is considered to be a tax levying public improvement  
35 district for the purposes of article XIII, section 7, Constitution of  
36 Arizona.

37 D. The district is regarded as performing a governmental function in  
38 carrying out the purposes of this chapter. The property acquired or  
39 constructed by the district, the activities of the district in maintaining  
40 and caring for the property and the monies derived by the district from  
41 operating the property are exempt from state and local income and property  
42 taxation.

1           Sec. 15. Section 48-6203, Arizona Revised Statutes, is amended to  
2 read:

3           48-6203. Board of directors

4           A. The district is governed by a board of directors consisting of the  
5 following members:

6           1. ~~Three~~ TWO members of the board of supervisors of the county  
7 establishing the district, elected by the board of supervisors.

8           2. Two members of the governing body of the ~~city~~ MORE POPULOUS OF THE  
9 TWO CITIES' establishing the district, elected by the governing body.

10           3. ONE MEMBER OF THE GOVERNING BODY OF THE LESS POPULOUS OF THE TWO  
11 CITIES ESTABLISHING THE DISTRICT, ELECTED BY THE GOVERNING BODY.

12           B. Members of the board of directors serve during their terms of  
13 office on the governing body of the county or city, unless a successor is  
14 earlier elected by the respective governing body to replace the member for  
15 any reason.

16           C. Members are not eligible for compensation for service on the board  
17 of directors.

18           Sec. 16. Section 48-6272, Arizona Revised Statutes, is amended to  
19 read:

20           48-6272. Authorization of revenue bonds; conditional expiration

21           A. Subject to subsections D and E of this section, the district may  
22 issue negotiable insured revenue bonds pursuant to this article in a  
23 principal amount that is necessary to:

24           1. Provide sufficient monies for theme park and vehicle support  
25 facility purposes. The board shall not segregate any theme park or vehicle  
26 support facility purpose for separate financing, but shall include all theme  
27 park and vehicle support facility purposes in all areas of the district in  
28 the same issue of bonds at the same time.

29           2. Establish and fully or partially fund any reserves or sinking  
30 accounts established by the bond resolution.

31           3. Issue refunding bonds if the board considers refunding to be  
32 expedient. The board may provide for investing and holding the proceeds of  
33 the refunding bonds in trust for the benefit of the holders of the bonds  
34 being refunded.

35           4. Refund any bonds issued by the district if the bonds are secured  
36 from the same source of revenues as the bonds authorized in this article by  
37 issuing new bonds, whether the bonds to be refunded have or have not matured.

38           5. Issue bonds partly to refund outstanding bonds and partly for any  
39 theme park and vehicle support facility purpose consistent with this article.

40           B. Bonds issued pursuant to this article shall not exceed an  
41 outstanding principal amount of one billion dollars, except for refunding  
42 bonds and other bonds issued to refund outstanding bonds of the district.

43           C. The board shall authorize the bonds by resolution. The resolution  
44 shall prescribe:

- 1           1. The district's revenue sources that are pledged and dedicated to  
2 secure the bonds.
- 3           2. The rate or rates of interest, which may be fixed or variable, the  
4 date or dates on which interest is payable and the denominations of the  
5 bonds.
- 6           3. The date or dates of the bonds and maturity, which shall be within  
7 thirty years after the date of issuance.
- 8           4. The manner of executing the bonds.
- 9           5. The medium and place of payment.
- 10          6. The terms of redemption, which may provide for a premium for early  
11 redemption.
- 12          D. The board shall not issue bonds under this article unless it  
13 receives irrevocable and legally enforceable financial participation  
14 commitments from private nongovernmental entities for theme park and vehicle  
15 support facility purposes in an amount equal to one-half of the principal  
16 amount of the bond issue.
- 17          E. The authority of the board of directors to issue bonds under this  
18 article expires if the board fails to issue any bonds on or before December  
19 31, ~~2008~~ 2013.
- 20          Sec. 17. Laws 2005, chapter 248, section 2 is amended to read:
- 21          Sec. 2. Conditional delayed repeal
- 22          Title 48, chapter 36, Arizona Revised Statutes, ~~as added by this act,~~  
23 is repealed from and after December 31, ~~2008~~ 2013 if the board of directors  
24 fails to issue bonds pursuant to that ~~article~~ CHAPTER by that date.